(SHRI KAMALUDDIN AHMED): (a) to (c) The total market price support etc. for cotton for the reference period 1986—89 are given below :—

	1986—89 (Average)
Total Market Price Support	(–) Rs. 14543 million.
Eligible Production	1.25 Million Ton.
Applied Administered Price	Rs. 5633/Ton.
External Reference Price	Rs. 17333/Ton.

The data base for calculation of AMS is the Annual Administrative Report of the Ministry of Agriculture and the DGCI&S, Calcutta.

Cheaper Imports in Capital Goods Industry

3674. SHRI RAMDAS AGARWAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government's attention has been drawn to a news-item published in the Economic Times dated the 14th Feb., 1994 (New Delhi edition) captioned "cheaper imports take the wind out of capital goods industry's sails" and that leading companies in the capital goods sector are facing a crisis situation as they are losing orders worth hundreds of crores to foreign parties;

(b) whetner it is a fact that several companies have submitted Memoranda to Government and Chairman of the Confederation of Indian Industries and its capital goods committee have reportedly stated "most of us will not make any investments to expand or modernise our unit if this situation continues";

(c) if so, the details thereof and whether EPCG market has been lost to foreign manufacturers as domestic suppliers do not get deemed export benefits and their finished products are sheltered by huge tariff walls and

(d) whether Government propose to intervene to help the capital goods industry which is faced with a grim outlook ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (d) There have been some representations on the import of second hand capital goods. By recent amendments in the Export and Import Policy, Government have not permitted free import and sale of second-hand capital goods, import of which continues to be with the Actual User condition. However, condition of submission of chartered Engineer's Certificate has been dispensed with and where c.i.f. value of second-hand capital goods is Rs. one crore and above, a certificate from an internationally reputed inspection and certification agency about the reasonableness of the purchase price is required.

As regards Export Promotion Capital Goods Scheme, the local manufactureres can also supply the capital goods by importing components at concessional rate of Customs duty of 15%.

Negative subsidy on Cotton under GATT Proposal

3675. SHRI BHUPINDER SINGH MANN : Will the Minister of COMMERCE be pleased to state :

(a) what was the total amount of negative subsidy on cotton and its total value which the farmers would have got without market intervention during the reference period (1986—89) of GATT Proposals; and

(b) what are the above figures per tonne of cotton and percentage of negative subsidy on value of the produce ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) and (b) The average Aggregate Measurements of Support (AMS) for cotton during the reference period 1986—89 was (—) Rs. 14543 million. Considering that the average eligible production during this period was 1.25 million tons, the average AMS per ton of cotton would come to (—) Rs. 11634. Since the AMS was calculated taking the average applied administered price of Rs. 5633/ ton, the percentage of AMS on value of the produce comes to (—) 206.5%.

The details of calculations are provided in the Schedule of Commitments to the GATT available in the Parliament Library.

Poor performance in Leather Imports

3676. SHRI P. UPENDRA : Will the Minister of COMMERCE be pleased to state :

(a) whether the country has registered poor performance in the international market for leather imports;

(b) what are the reasons for the sluggishness in exports of leather products; and

(c) what steps Government are taking to boost up the exports ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) India's export of leather and leather products have shown an impressive growth from Rs. 1608 crores in 1988-89 to Rs. 3693 crores in 1992-93. Global import of leather and leather products during 1992 (latest available) was about US$ 42 billion. India's share continued to be about 3% in these imports. However, the rate of growth of our exports in recent years has slowed down.

(b) The sluggishness is due to a number of reasons which include recessionary conditions in our major markets and the conditions prevailing in the countries comprising the former Soviet Union.

(c) A number of policy intitiatives have been taken by the Government to promote integrated product development with a view to strengthen the supply base for value-added quality products and in removing constraints in the easy availability of raw-materials, components and consumables for the leather industry. The customs duty on some of the raw materials, components and consumables used in the leather industry has also been reduced. The Govt. has also taken steps to strengthen marketing efforts in our major markets.

Coffee Board enquiry in Nestle Affairs

3677. SHRI G. Y. KRISHNAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Coffee Board had sought the help of Government in getting the full facts about the Nestle affairs;

(b) whether it is a fact that the marketing committee of the Coffee Board have set up a six member sub-committee to go into all the facts to ensure that there